
By: **Delegates King, Barkley, Barve, Boschert, Bozman, Bromwell, Bronrott, Cardin, G. Clagett, V. Clagett, Cryor, Dumais, Edwards, Elmore, Feldman, Franchot, Frush, Gilleland, Goodwin, Gordon, Gutierrez, Healey, Heller, Hixson, Howard, Hurson, Kaiser, Madaleno, Mandel, Menes, Montgomery, Myers, Owings, Patterson, Pendergrass, Ramirez, Ross, Simmons, Taylor, and F. Turner**

Introduced and read first time: February 5, 2004
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Solar Energy Tax Credit - Extension**

3 FOR the purpose of extending the period of eligibility for a credit against the State
4 income tax for certain costs of certain equipment that uses solar energy to
5 generate electricity or to heat or cool a structure or provide hot water for use in
6 a structure; and generally relating to the State income tax credit for equipment
7 using solar energy.

8 BY repealing and reenacting, with amendments,
9 Article - Tax - General
10 Section 10-719
11 Annotated Code of Maryland
12 (1997 Replacement Volume and 2003 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - Tax - General**

16 10-719.

17 (a) (1) In this section the following words have the meanings indicated.

18 (2) "Photovoltaic property" means solar energy property that uses a solar
19 photovoltaic process to generate electricity and that meets applicable performance
20 and quality standards and certification requirements in effect at the time of
21 acquisition of the property, as specified by the Maryland Energy Administration.

22 (3) (i) "Solar energy property" means equipment that uses solar
23 energy:

- 1 1. to generate electricity;
- 2 2. to heat or cool a structure or provide hot water for use in a
3 structure; or
- 4 3. to provide solar process heat.

5 (ii) "Solar energy property" does not include a swimming pool, hot
6 tub, or any other energy storage medium that has a function other than storage.

7 (4) "Solar water heating property" means solar energy property that:

8 (i) when installed in connection with a structure, uses solar energy
9 for the purpose of providing hot water for use within the structure; and

10 (ii) meets applicable performance and quality standards and
11 certification requirements in effect at the time of acquisition of the property, as
12 specified by the Maryland Energy Administration.

13 (b) An individual or a corporation may claim a credit against the State income
14 tax for a taxable year as provided in this section for the costs of solar water heating
15 property or photovoltaic property placed in service during the taxable year.

16 (c) (1) Subject to the limitations under paragraph (2) of this subsection, the
17 credit allowed under this section includes 15% of the total installed cost of
18 photovoltaic property or solar water heating property.

19 (2) The credit allowed under this subsection may not exceed:

20 (i) \$2,000 for each system for photovoltaic property; and

21 (ii) \$1,000 for each system for solar water heating property.

22 (d) (1) The total amount of the credit allowed under this section for any
23 taxable year may not exceed the State income tax for that taxable year, calculated
24 before application of the credits under this section and §§ 10-701 and 10-701.1 of this
25 subtitle, but after application of the other credits allowable under this subtitle.

26 (2) The unused amount of the credit for any taxable year may not be
27 carried over to any other taxable year.

28 (e) Except as otherwise provided in this title, for purposes of determining
29 Maryland taxable income, the basis of property with respect to which the credit under
30 this section is allowed shall be its basis for federal income tax purposes.

31 (f) The credit under this section may not be claimed for property placed in
32 service:

33 (1) before July 1, 2000; or

34 (2) after December 31, [2004] 2014.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2004.